



Financial Modelling

Global Leaders in Aviation Finance

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The Aviation industry is a data-intensive sector that relies on complex models to determine financing requirements, asset trading strategies, maintenance reserves and other management and accounting reporting requirements.

Our dedicated Aviation Financial Modelling team in Ireland understand the challenges you face. Whether you are looking to review or benchmark your existing models, require independent transaction modelling assistance or want assistance to build on your existing capabilities, we can help.

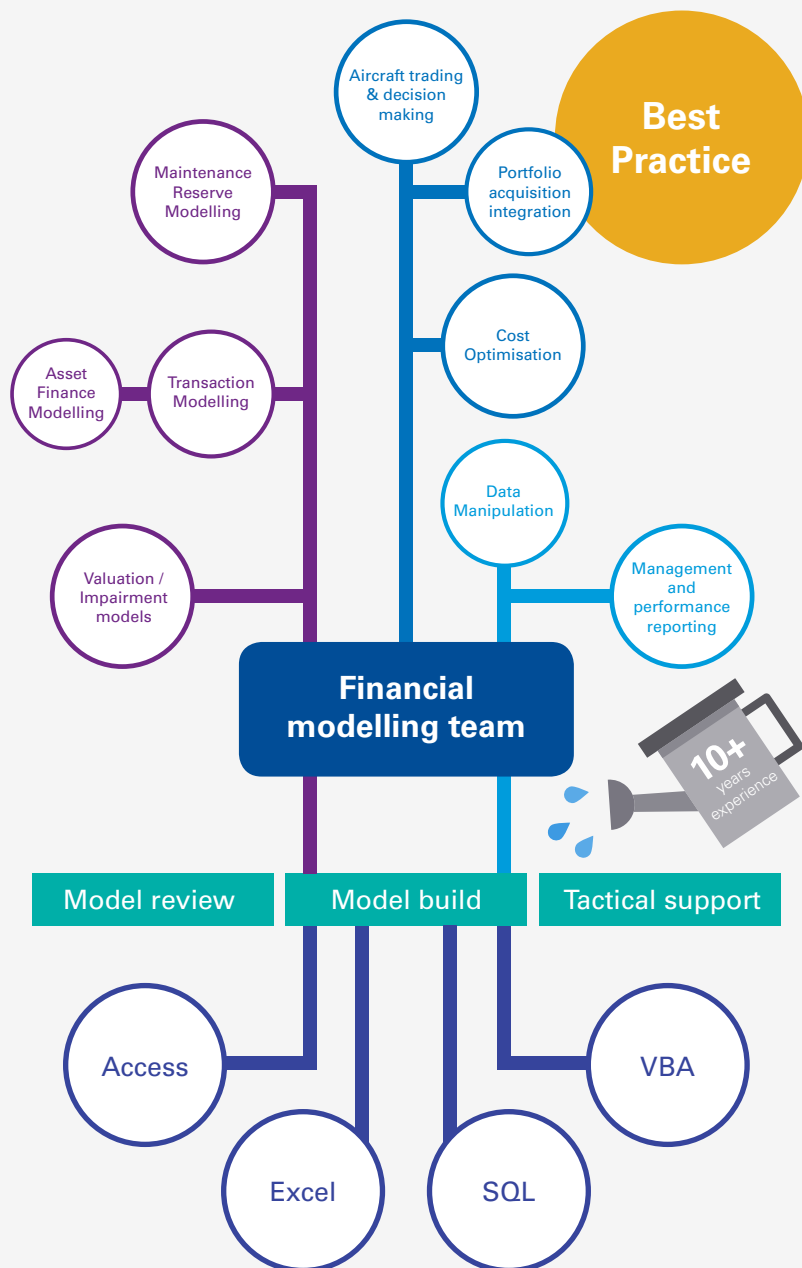
- Do your current models lack transparency? Are you concerned over key-man dependency or interested in whether your processes will pass SOx standard testing?
- Are you relying on third parties for asset financing? Are you confident that debt returns to investors are being appropriately disclosed?
- Are you considering a portfolio acquisition but are unclear on the synergies attainable?
- Do you subsequently assess the performance of key decisions or simply move on?
- Have you the right level of information to facilitate decision making and risk monitoring?

What sets us apart

Our team members have an average of over 10 years aviation finance experience each.

We have worked with the worlds leading airlines and lessors and have unrivalled industry knowledge.

We have proven methodologies to ensure we deliver quality solutions that will exceed your expectations.



Model build

We have experience in designing and delivering robust operational and decision making models, which we support by providing comprehensive training for your team.

- Aircraft trading models (whether to sell, lease or refurbish assets and the most appropriate timing to do so)
- Maintenance reserve and forecasting models
- Investment Appraisal and financing models (recalculation of essential KPIs including LTV projections, ROE and debt covenants)
- Portfolio integration models
- Valuation, impairment & accounting models
- Securitisation models (portfolio analysis).

Model review

You will have access to a unique set of capabilities with the scale and breath of expertise to deliver tailored Aviation modelling solutions.

Our deep understanding of value drivers, combined with model review software tools make us an ideal partner for you to carry out a third party financial model review.

We are prepared to challenge your model from both a technical and a commercial perspective to provide increased transparency and benefits such as:

- Comfort that existing models are fit for purpose
- Benchmarking of models to best-in-class industry solutions
- Recommendations on data management, control environments and model development roadmaps.

Tactical support

- **Management information assessment**
Quality, timelines and sufficiency of reporting metrics
- **End-user computing assessment**
Governance, ownership and change management
- **Aircraft placement and trading assessment**
Flexibility of models, audit trail, post-deal evaluation

Our client, a major international airline, commissioned us to review their existing maintenance reserve and accrual process and the underlying models.

Following an initial assessment, the decision was taken to develop a new process and suite of models to support the airline's ambitions to have a 'best in class' finance function.

Key client challenges

- Over-reliance on key technical resource, no transparency or rationale for accruing maintenance overhauls
- No visibility on whether maintenance reserve rates charged by lessors will be sufficient to cover future overhaul costs
- No variance analysis and no tracking of reasons why actual costs were different to expectations.

Deliverables and benefits

- Over-reliance on key technical resource, no transparency
Rebuild of maintenance reserve model that links to airline's utilisation and accounting system
- Development of process to review model outputs:
 - Creation of management reporting pack
 - Initiated monthly technical committee review of accruals, rationale, variance analysis, minutes of decisions and overrides etc
 - Development of process to review model outputs
- Full visibility on maintenance overhaul processes.
Cross function accountability involving technical team reviews, accounting policy alignment and strategy team input on route and utilisation targets.



Asset financing

- Transaction debt and portfolio modelling
- Impact of financing on company KPIs
- Independent reports to investors and directors on payback period, ROI etc
- Scenario analysis.

Aircraft trading and decision making

- Development, benchmarking and review of sale & lease-back, refurb, part-out models
- Review of aircraft trading Models with focus on timing of disposals and alignment to corporate strategy.

Maintenance reserve & valuation models

- Development, benchmarking and review of accounting and operational models
- Implementation of accurate reserve reporting and accruals process
- Advise on control environment and management review process.

Management reporting and accounting requirements

- Cashflow modelling
- Stress testing of business plans
- KPI dashboards
- Debt covenant and other KPI analysis.

Portfolio integration

- Investment appraisal
- Cost saving synergies
- Consolidation reporting
- Data migration and reconciliations.

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